

INITIAL CALFED STAGE 1 PROGRAM COST BASIC ASSUMPTIONS

ECOSYSTEM RESTORATION

STATE: The \$390 million is Proposition 204 funding.

FEDERAL: Of the \$385 million total, \$280 million is the remainder of the Federal Bay-Delta appropriation, and \$105 million is \$15 million per year for 7 years of CVPIA Energy and Water funds.

USER: The \$280 million is \$40 million per year for 7 years of user fees in the CVPIA Restoration Fund.

CONSERVATION

STATE: \$125 million is a sum which could reasonably be processed as conservation loans over the span of Stage 1.

FEDERAL: None anticipated at this time.

USER: \$675 million is an estimate of combined agricultural (\$140 million) and urban (\$535 million) investments in conservation on an ongoing basis.

RECYCLING

Overall it was estimated that \$1 billion could reasonably be spent on recycling projects in Stage 1. This is one area where the level of user investment has not previously been recognized. The Federal share of \$250 million is consistent with the Title XVI 25% cost share formula for construction. The State share is proposed at \$250 million to be at parity with the Title XVI level of cost sharing. The user share of \$500 million completes the \$1 billion.

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WATERSHED MANAGEMENT

The estimated cost for watershed management is predicated on a level of spending that can reasonably be achieved. No estimate of the cost of projects exists at this time, although the \$150 million total can undoubtedly be productively used in the watersheds above the dams and local to San Francisco Bay. The cost share split was developed assuming equal State and Federal shares of \$10 million per year for the seven years with a relatively small level of local cost share.

WATER QUALITY

The estimated cost for water quality is close to one third of the previously estimated cost over the 30 year span of the program. The State, Federal and user shares are equally divided with the user share in this case being money expended by those managing sources of pollution in the system, such as municipalities, agriculture and industry.

DELTA LEVEE MAINTENANCE

The proposed cost sharing is basically a 65% Federal, 25% State, and 10% local split consistent with the Federal cost sharing formula and proposing the 10% local share to ensure local participation.

STORAGE (OFF-STREAM, ON-STREAM & CONJUNCTIVE USE)

The user costs are an estimate of the level of user investment needed to develop approximately 500,000 of groundwater banking capacity south of the Delta. The State and Federal costs are an estimate of costs for the pre-permitting work for surface storage, including environmental review.

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CONVEYANCE

The attached table shows the distribution of these costs by facility. The levee projects utilize the same cost sharing formula as described for the Delta Levee Management program. The basic plumbing of the South Delta improvements is user funded with the fish screens at Clifton Court and Tracy being 75% State and Federal funded, respectively, and 25% user funded. The Hood Test Diversion is proposed as equally divided funding because no other rationale appeared supportable at this time.

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